

**CENLA COMMUNITY ACTION COMMITTEE, INC.
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2014**

CENLA COMMUNITY ACTION COMMITTEE, INC.

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**BANKS, FINLEY,
WHITE & CO.**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CENLA Community Action Committee, Inc.
Alexandria, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of CENLA Community Action Committee, Inc., (a nonprofit organization), which comprise the statement of financial position as of March 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CENLA Community Action Committee, Inc., as of March 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

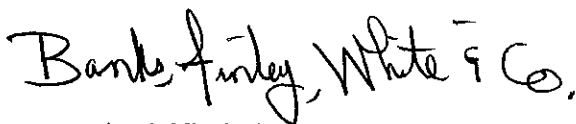
Other-Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 20 - 29 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2014, on our consideration of CENLA Community Action Committee, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CENLA Community Action Committee, Inc.'s internal control over financial reporting and compliance.



Ridgeland, Mississippi
October 15, 2014

CENLA COMMUNITY ACTION COMMITTEE, INC.
Statement of Financial Position
March 31, 2014

| ASSETS | <u>2014</u> |
|-------------------------------------|-------------------|
| Current Assets: | |
| Cash and cash equivalents | \$ 119,822 |
| Total Current Assets | <u>119,822</u> |
| Property and Equipment | |
| Buildings and building improvements | 1,155,872 |
| Furniture and equipment | <u>28,717</u> |
| Total Property and Equipment | 1,184,589 |
| Less: Accumulated depreciation | <u>(939,890)</u> |
| Net Property and Equipment | <u>244,699</u> |
| TOTAL ASSETS | <u>\$ 364,521</u> |
| LIABILITIES AND NETS ASSETS | |
| Current Liabilities: | |
| Accounts payable | \$ 949 |
| Accrued annual leave | 22,115 |
| Accrued payroll payable | 9,313 |
| Payroll taxes payable | 696 |
| Note payable-current portion | <u>33,645</u> |
| Total Current Liabilities | <u>66,718</u> |
| Long-Term Liabilities | <u>258,155</u> |
| TOTAL LIABILITIES | <u>324,873</u> |
| NET ASSETS | |
| Unrestricted | |
| Operations | 86,749 |
| Property and equipment | <u>(47,101)</u> |
| Total Net Assets | <u>39,648</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 364,521</u> |

The Accompanying Notes are an integral part of these Financial Statements.

CENLA COMMUNITY ACTION COMMITTEE, INC.
Statement of Activities
For the Year Ended March 31, 2014

| | UNRESTRICTED | | |
|--|------------------|------------------------------|------------------|
| | Operations | Property and Equipment | 2014 |
| SUPPORT AND REVENUES: | | | |
| Support: | | | |
| Grants | \$ 3,639,285 | - | \$ 3,639,285 |
| USDA reimbursement | 194,137 | - | 194,137 |
| Total Support | <u>3,833,422</u> | <u>-</u> | <u>3,833,422</u> |
| Revenues: | | | |
| Program income | 11,676 | - | 11,676 |
| Other revenue | 59,617 | - | 59,617 |
| Total Revenues | <u>71,293</u> | <u>-</u> | <u>71,293</u> |
| TOTAL SUPPORT AND REVENUES | <u>3,904,715</u> | <u>-</u> | <u>3,904,715</u> |
| EXPENSES: | | | |
| PROGRAM SERVICES: | | | |
| Community services | 364,951 | 260 | 365,211 |
| Energy assistance and conservation | 750,104 | - | 750,104 |
| Family preservation and child development | 2,644,686 | 37,410 | 2,682,096 |
| Senior aid and services | 61,095 | 2,639 | 63,734 |
| Total Program Services | <u>3,820,836</u> | <u>40,309</u> | <u>3,861,145</u> |
| SUPPORTIVE SERVICES: | | | |
| General and administrative | 13,298 | 32,715 | 46,013 |
| Total Supportive Services | <u>13,298</u> | <u>32,715</u> | <u>46,013</u> |
| TOTAL EXPENSES | <u>3,834,134</u> | <u>73,024</u> | <u>3,907,158</u> |
| Change in net assets | <u>70,581</u> | <u>(73,024)</u> | <u>(2,443)</u> |
| Net Assets at, Beginning of Year | (758,836) | 1,510,595 | 751,759 |
| Prior period adjustments | 775,004 | (1,068,592) | (293,588) |
| Net Assets Restated, Beginning of Year | <u>16,168</u> | <u>442,003</u> | <u>458,171</u> |
| Other Changes in Net Assets | | | |
| Transfer of net book value of fixed assets | - | (733,253) | (733,253) |
| Transfer of debt at fair value | - | 317,173 | 317,173 |
| Total Other Changes in Net Assets | <u>-</u> | <u>(416,080)</u> | <u>(416,080)</u> |
| NET ASSETS, END OF Year | <u>\$ 86,749</u> | <u>(47,101)</u> | <u>\$ 39,648</u> |

The Accompanying Notes are an integral part of these Financial Statements.

CENLA COMMUNITY ACTION COMMITTEE, INC.
Statement of Cash Flows
For the Year Ended March 31, 2014

| | |
|---|-------------------|
| CASH FLOWS USED FOR OPERATING ACTIVITIES: | <u>2014</u> |
| Changes in Net Assets | \$ (2,443) |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | |
| Depreciation | 73,024 |
| Prior period adjustment | (293,588) |
| (Increase) decrease in: | |
| Grants receivable | 68,831 |
| Other assets | 18,152 |
| Increase (decrease) in: | |
| Accounts payable | (806,707) |
| Bank overdraft | 69,649 |
| Payroll taxes payable | 695 |
| Accrued payroll | 9,313 |
| Accrued annual leave | 22,115 |
| NET CASH USED IN OPERATING ACTIVITIES | <u>(840,959)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | |
| Principal payment on capital lease obligation | (83,460) |
| Transfer of mortgage payable at fair value | (317,173) |
| Proceeds from debt refinancing | 596,315 |
| NET CASH USED IN FINANCING ACTIVITIES | <u>195,682</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Transfer of property and equipment at net book value | 733,253 |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | <u>733,253</u> |
| NET DECREASE IN CASH | 87,976 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>31,846</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ <u>119,822</u> |
| <u>Supplemental cash flow information:</u> | |
| Cash paid during the year for: | |
| Interest expense | \$ <u>17,274</u> |

The Accompanying Notes are an integral part of these Financial Statements.

CENLA COMMUNITY ACTION COMMITTEE, INC.
Notes to the Financial Statements
March 31, 2014

NOTE 1 - BACKGROUND

CENLA Community Action Committee, Inc. (the "Organization") is a multi-funded private nonprofit community based organization designed to stimulate available resources to enable low-income individuals and families to attain skills, knowledge, and motivations, and secure the opportunities needed to become self-sufficient. The Organization also operates Head Start and community action programs in the Alexandria area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation - The Organization is required to report information regarding its financial position and activities according to three classes of net assets, as applicable: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Contributions - In accordance with FASB ASC 958 "Accounting for Contributions Received and Contributions Made", contributions are recognized as revenue upon the effective date of the award of the gift or grant by the donor or grantor. Contributions are recorded as unrestricted and temporarily restricted support depending on the existence and/or nature of any donor or grantor restrictions. The definition of contributions under SFAS applies to grant funds received by the Organization from federal grantors.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be "cash equivalents".

Property, Plant and Equipment - Property and equipment are recorded at costs. Property acquired is considered owned by the Organization. However, the respective funding sources have a reversionary interest in property purchased with grant funds or acquired through government appropriations; the disposition and ownership of any proceeds from the dispositions of property are subject to grant regulations.

The minimum expenditure amounts required, by funding sources, to capitalize non-expendable property within the Organization's property records are amount over \$5,000.

Depreciation is provided using the straight line method over estimated useful lives. The estimated useful lives are as follows:

| | |
|------------------------|------------|
| Building | 30 years |
| Furniture and Fixtures | 5-10 years |
| Equipment | 5-10 years |
| Vehicles | 5 years |

CENLA COMMUNITY ACTION COMMITTEE, INC.
Notes to the Financial Statements
March 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employees' Annual Leave - The Organization charges annual leave earned by employees which has not been used by them at the end of a period to the period that the leave is earned.

Functional Allocation of Expenses - The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Donated Materials - Donated space and materials are reflected as contributions in the accompanying statements at their estimated fair values at date of receipt. The donated space and materials are recognized as both support and expenditure and therefore do not affect net assets.

Income Taxes - The Organization is a private, nonprofit corporation exempt from income taxes as granted by the Internal Revenue Service (IRS) under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been recorded on the accompanying financial statements. In addition, the State of Louisiana income tax laws recognizes the Organization as a tax-exempt organization for Louisiana income tax purposes.

The Organization has adopted recently issued accounting principles related to uncertain tax positions for the year ended March 31, 2014, and has evaluated its tax positions taken for all open tax years. Currently, the 2013, 2012 and 2011 tax years are open and subject to examination by the Internal Revenue Service; however, the Organization is not currently under audit nor has the Organization been contacted by any of these jurisdictions.

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended March 31, 2014.

NOTE 3 - FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents: the carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Bank Note Payable: fair value carrying value since stated rates are similar to rates currently available to the Organization for debts with similar terms and remaining maturities.

CENLA COMMUNITY ACTION COMMITTEE, INC.
Notes to the Financial Statements
March 31, 2014

NOTE 3 - FINANCIAL INSTRUMENTS (Continued)

The estimated fair values of the Organization's financial instruments, none of which are held for trading purposes, are as follows:

| | <u>Carrying Amount</u> | <u>Fair Value</u> |
|---------------------------|----------------------------|-------------------|
| Financial Assets: | | |
| Cash and cash equivalents | \$ 119,822 | \$ 119,822 |
| Financial Liabilities: | | |
| Mortgage note payable | \$ 291,800 | \$ 291,800 |

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at a financial institution which is insured by the Federal Deposit Insurance Corporation. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of March 31, 2014, the Organization cash balances were fully insured.

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment as of March 31, 2014 is as follows:

| <u>Description</u> | <u>Balance at 01/1/13</u> | <u>Additions</u> | <u>Deletions</u> | <u>Adjustments</u> | <u>Balance at 12/31/13</u> |
|-------------------------------------|-------------------------------|------------------|------------------|--------------------|--------------------------------|
| Land | \$ 45,225 | - | 45,225 | - | \$ - |
| Buildings and building improvements | 1,843,979 | - | 688,108 | - | 1,155,871 |
| Furniture and equipment | 613,718 | - | 585,000 | - | 28,718 |
| Motor vehicles | 979,871 | - | 979,871 | - | - |
| Total Property, Plant and Equipment | 3,482,793 | - | 2,298,204 | - | 1,184,589 |
| Less: accumulated depreciation | (1,279,765) | (73,024) | (1,246,265) | (976,170) | (939,890) |
| Net Property, Plant and Equipment | <u>\$ 2,203,028</u> | <u>(73,024)</u> | <u>1,051,939</u> | <u>(976,170)</u> | <u>\$ 244,699</u> |

Depreciation expense for the year ended March 31, 2014 amounted to \$73,024.

NOTE 6 - RETIREMENT PLAN

The Organization adopted a defined contribution pension plan that has been determined by the Internal Revenue Services to meet the requirements for qualifications under Section 403 (b) of the Internal Revenue Code, and which permits or requires amounts contributed there under to be applied under the contract on behalf of employees covered by the plan. Employees eligible to participate may contribute \$9,500 or 20% of their annual salary to the plan. CENLA will match the employees' contribution up to 5% of the employees' gross annual salary. The assets of the plan are managed by separate directors and are not included in the financial statements. For the year ended March 31, 2014, CENLA contributions to the 403(b) Plan totaled \$27,731.

CENLA COMMUNITY ACTION COMMITTEE, INC.
Notes to the Financial Statements
March 31, 2014

NOTE 7 - DONATED SERVICES, MATERIALS AND FACILITIES

Donated services and materials in the amount of \$240,729 were not recognized in the financial statements because they did not meet the criteria for recognition under FASB ASC 958 for the following programs.

| | |
|------------|-----------------------|
| | Head Start Program |
| Volunteers | \$ 240,729 |
| Total | \$ 240,729 |

NOTE 8 - MATCHING CONTRIBUTIONS

The Organization has a federally funded Head Start Program with the U.S. Department of Health and Human Services (DHHS) that requires a 6% non-federal match. For the year ended March 31, 2014, the matching required under the Head Start Program was \$2,117,013. The Organization contributed \$240,729 in the form of volunteers for the Head Start program.

NOTE 9 - GRANT BALANCES AND GRANT CONDITIONS

The Organization has responsibility for expending grant funds in accordance with specified instructions from its funding sources. Any deficits resulting from over expenditures and/or questioned costs are the responsibility of the Organization.

Any unexpended grant funds at the end of the grant period may be refundable or carried over to the following period at the discretion of the funding sources.

Notwithstanding the audits by independent certified public accountants, all costs included in this report remain subject to audit by the agencies providing financial support within the limits of the Single Audit Act of 1996, as amended. The determination as to whether costs will be allowable or unallowable under the grants will be made by representatives of the funding sources having authority to make and enforce contracts.

CENLA COMMUNITY ACTION COMMITTEE, INC.
Notes to the Financial Statements
March 31, 2014

NOTE 10 - NOTES PAYABLE

As of March 31, 2014, CENLA has the following outstanding notes payable:

| | <u>Amount</u> |
|---|-------------------|
| Note # 1 | |
| 6.00% note dated July 16, 2009, payable to the Evangeline Bank and Trust Co. in 180 installments of \$2,260 which includes principal and interest; matures July 15, 2024 collateralized by real estate owned by CENLA. | \$ 205,562 |
| Note # 2 | |
| 5.750% note dated December 5, 2013, payable to the Evangeline Bank and Trust Co. in 60 installments of \$1,938 which includes principal and interest; matures December 15, 2018 collateralized by real estate owned by CENLA. | <u>86,238</u> |
| | <u>\$ 291,800</u> |

The annual requirement to amortize all loans outstanding as of March 31, 2014 are as follows:

| | <u>Note # 1</u> | | <u>Note # 2</u> | |
|------------------------|-------------------|---------------|------------------|------------------|
| Year ended March 31 | Principal | Interest | Principal | Interest |
| 2015 | \$ 14,888 | \$ 12,232 | \$ 18,758 | \$ 4,498 |
| 2016 | 15,820 | 11,300 | 19,860 | 3,396 |
| 2017 | 16,811 | 10,309 | 21,043 | 2,213 |
| 2018 | 17,864 | 9,256 | 22,288 | 968 |
| 2019 | 18,983 | 8,237 | 4,289 | - |
| 2020-2024 | 114,308 | 21,292 | - | - |
| 2025-2029 | 6,888 | 114 | - | - |
| Total | <u>\$ 205,562</u> | <u>72,740</u> | <u>\$ 86,238</u> | <u>\$ 11,075</u> |

COMMITMENTS AND CONTINGENCIES

1. Operating Leases

The following is a schedule by years of minimum future space rentals on non-cancelable operating leases for the various branch offices and copier machine as of March 31, 2014.

| <u>Year Ending January 31:</u> | <u>Amount</u> |
|--------------------------------|-----------------|
| 2015 | \$ 6,612 |
| 2016 | <u>1,612</u> |
| TOTALS | <u>\$ 8,224</u> |

CENLA leases several buildings and certain operating equipment under operating leases. Rent expense for the year ended March 31, 2014 totaled \$76,837.

CENLA COMMUNITY ACTION COMMITTEE, INC.
Notes to the Financial Statements
March 31, 2014

NOTE 11 - CONCENTRATION OF CONTRIBUTIONS OR GRANTS

Approximately 92.25% of the Organization's funding is provided by grants from the U. S. Department of Health and Human Services.

NOTE 12 - PRIOR PERIOD ADJUSTMENTS

During 2014, the Organization determined that some liabilities previously reported in the financial statements were overstated and or understated. Accordingly, a net adjustment of \$293,588 was made during 2014 to adjust beginning net assets.

The following summarizes the effect of the restatement on net assets as of March 31, 2014:

| | Net Assets | | | |
|--|--------------|--------------|------------------------|------------|
| | Unrestricted | Fixed Assets | Permanently Restricted | Total |
| Beginning Balances, Before Restatement | \$ (758,836) | 1,510,595 | - | \$ 751,759 |
| Other reconciling adjustment | - | (92,422) | - | (92,422) |
| Overstated accounts payable balance | 775,004 | - | - | 775,004 |
| Unrecorded prior year depreciation expense | - | (976,170) | - | (976,170) |
| Beginning Balances, as Restated | \$ 16,168 | 442,003 | - | \$ 458,171 |

NOTE 13 - LITIGATION

- A. The Organization is involved in a lawsuit with a former employee alleging breach of contract for wrongful termination. As of the date of our report, this case is pending and is covered by the Organization's insurance carrier. However, according to legal counsel, the ultimate outcome of this case cannot be determined.
- B. A claim was filed on December 27, 2013 by an individual visiting one of the Head start centers. The individual alleged that on or about December 20, 2012, she slipped and fell causing injury and pain to her body. As of the date of our report, this case is pending and is covered by the Organization's insurance carrier. However, according to legal counsel, the ultimate outcome of this case cannot be determined.

NOTE 14 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 15, 2014, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

CENLA COMMUNITY ACTION COMMITTEE, INC.
Notes to the Financial Statements
March 31, 2014

NOTE 15 - TRANSFER OF FIXED ASSETS AND DEBT TO OTHER ORGANIZATION

During the year, the Organization's Head Start Program was terminated as of July 31, 2013. The Organization's Head Start Program was terminated by IOG due to several operating deficiencies noted during a certain monitoring visit. Subsequently, the Head Start Program was awarded to another non-profit organization (Community Development Institute) (CDI) based in Denver, Colorado by the U. S. Department of Health and Human Services. Certain fixed assets and debt were acquired and incurred while operating the Head Start Program by CENLA, therefore such fixed assets and were transferred to CDI upon termination of the Head Start Program and are listed below:

A. The Net book value of the fixed assets transferred are listed below:

| <u>Asset Category</u> | <u>Amount</u> |
|--------------------------------|-------------------|
| Land | \$ 45,225 |
| Buildings | 693,493 |
| Furniture and equipment | 442,196 |
| Motor vehicles | <u>798,604</u> |
| Total Costs of Fixed Assets | 1,979,518 |
| Less: Accumulated Depreciation | <u>1,246,265</u> |
| Net Book Value of Fixed Assets | <u>\$ 733,253</u> |

B. The fair value of the debt transferred is listed below:

| <u>Liability Description</u> | <u>Amount</u> |
|------------------------------------|-------------------|
| 7.5% note payable to Midsouth Bank | \$ 92,182 |
| 7.5% note payable to Midsouth Bank | <u>224,991</u> |
| Total | <u>\$ 317,173</u> |



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
CENLA Community Action Committee, Inc.
Alexandria, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of CENLA Community Action Committee, Inc., which comprise the statement of financial position as of March 31, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CENLA Community Action Committee, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CENLA Community Action Committee, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of CENLA Community Action Committee, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. Findings numbers (2014-01 through 2014-02)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CENLA Community Action Committee, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

CENLA Community Action Committee, Inc.'s Response to Findings

CENLA Community Action Committee, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. CENLA Community Action Committee, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Banks, Finley, White & Co.

Ridgeland, Mississippi
October 15, 2014



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors of
CENLA Community Action Committee, Inc.
Alexandria, Louisiana

Report on Compliance for Each Major Federal Program

We have audited CENLA Community Action Committee, Inc.'s compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of CENLA Community Action Committee, Inc.'s major federal programs for the year ended March 31, 2014. CENLA Community Action Committee, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CENLA Community Action Committee, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CENLA Community Action Committee, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CENLA Community Action Committee, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, CENLA Community Action Committee, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2014.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

Report on Internal Control Over Compliance

Management of CENLA Community Action Committee, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CENLA Community Action Committee, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CENLA Community Action Committee, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Bank, Fintley, White & Co.

Ridgeland, Mississippi
October 15, 2014

CENLA COMMUNITY ACTION COMMITTEE, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2014

| Federal Grant/ Pass-Through Grantor Program Title | Federal CFDA Number | Pass-Through Grant Number | Federal Expenditures |
|---|---------------------------|---------------------------------|-------------------------|
| <u>U. S. Department Of Human Services</u> | | | |
| <u>DIRECT FUNDING:</u> | | | |
| <i>Headstart Cluster Program:</i> | | | |
| Headstart Program | 93.600 | 06CH5002/47 | \$ <u>2,403,220</u> |
| Total Headstart Cluster Program | | | <u>2,403,220</u> |
| Pass through State of Louisiana: | | | |
| Office of Workforce Development | | | |
| <i>Community Service Block Grant Cluster Program:</i> | | | |
| Community Service Block Grant | 93.569 | 2013N0014 | 115,342 |
| Community Service Block Grant | 93.569 | 2014N0014 | <u>232,756</u> |
| Total Community Service Block Grant Cluster Program | | | <u>348,098</u> |
| Pass through State of Louisiana Housing Corporation: | | | |
| Low-Income Home Energy Assistance Program | 93.568 | LIHEAP 2013 | 567,390 |
| Low-Income Home Energy Assistance Program | 93.568 | LIHEAP 2014 | <u>217,566</u> |
| | | | <u>784,956</u> |
| Total U. S. Department of Health and Human Services | | | <u>3,536,274</u> |
| Direct Funding | | | |
| Federal Emergency Management Agency | | | |
| Emergency Food and Shelter Program | 97.024 | 30-3668-00 | 2,471 |
| Emergency Food and Shelter Program | 97.024 | 31-3668-00 | <u>2,300</u> |
| Total Federal Emergency Management Agency | | | <u>4,771</u> |
| <u>U. S. Department of Agriculture</u> | | | |
| Pass through State of Louisiana | | | |
| Department of Education: | | | |
| Child Care Food Program | 10.558 | 93-152 | <u>194,137</u> |
| Total U.S. Department of Agriculture | | | <u>194,137</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 3,735,182</u> |

CENLA COMMUNITY ACTION COMMITTEE, INC.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2014

NOTE 1 -BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes federal grant activity of CENLA Community Action Committee, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profits Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

CENLA COMMUNITY ACTION COMMITTEE, INC.

SUPPLEMENTARY INFORMATION

MARCH 31, 2014

SCHEDULE A

CENLA COMMUNITY ACTION COMMITTEE, INC.
Combining Schedule of Revenues
For the Year Ended March 31, 2014

| | <u>Community Services and Economic Development</u> | <u>Energy Assistance and Conservation</u> | <u>Family Preservation and Child Development</u> | <u>Senior Aid and Employment and Training</u> | <u>General and Administrative</u> | <u>Total</u> |
|----------------------------|--|---|--|---|---|---------------------|
| REVENUES: | | | | | | |
| Grants and contracts | \$ 352,869 | 784,956 | 2,403,220 | 98,240 | - | \$ 3,639,285 |
| USDA reimbursement | - | - | 194,137 | - | - | 194,137 |
| Program income | - | 10,078 | 1,598 | - | - | 11,676 |
| Other revenue | <u>21,023</u> | <u>-</u> | <u>13,031</u> | <u>-</u> | <u>25,563</u> | <u>59,617</u> |
| TOTAL SUPPORT AND REVENUES | <u>\$ 373,892</u> | <u>795,034</u> | <u>2,611,986</u> | <u>98,240</u> | <u>25,563</u> | <u>\$ 3,904,715</u> |

SCHEDULE B

CENLA COMMUNITY ACTION COMMITTEE, INC.
Schedule of Functional Expenses
For the Year Ended March 31, 2014

| | Community Services | Energy Assistance and Conservation | Family Preservation and Child Development | Senior Aid and Services | Total Program Services Expenses | General and Administrative | Total Expenses |
|------------------------------------|-----------------------|--|--|-------------------------------|--|----------------------------------|---------------------|
| EXPENSES: | | | | | | | |
| Salaries and wages | \$ 204,555 | 39,969 | 1,618,419 | 17,896 | 1,880,839 | - | \$ 1,880,839 |
| Payroll tax expense | 13,695 | 2,987 | 178,800 | 1,037 | 196,519 | 607 | 197,126 |
| Fringe benefits | 20,343 | 4,543 | 306,909 | 196 | 331,991 | - | 331,991 |
| Supplies | 15,134 | 16,070 | 20,027 | 11,731 | 62,962 | 1,191 | 64,153 |
| Travel and conference | 10,396 | 7,919 | 11,955 | 13 | 30,283 | 394 | 30,677 |
| Space cost | 12,954 | 1,883 | 56,713 | 550 | 72,100 | 4,737 | 76,837 |
| Utilities | 3,611 | 459 | 50,557 | 58 | 54,685 | (247) | 54,438 |
| Telephone | 6,598 | 1,554 | 25,638 | 361 | 34,151 | 40 | 34,191 |
| Insurance and bonding | 5,097 | 1,571 | 46,605 | 711 | 53,984 | - | 53,984 |
| Postage | 3,578 | - | 833 | - | 4,411 | - | 4,411 |
| Repair and maintenance of building | 4,399 | 130 | 31,461 | - | 35,990 | - | 35,990 |
| Equipment expense | 521 | - | 24,784 | - | 25,305 | 283 | 25,588 |
| Vehicle expense | - | - | 52,696 | - | 52,696 | - | 52,696 |
| Staff development | - | - | 11,616 | - | 11,616 | - | 11,616 |
| Publication and printing | 273 | - | 158 | - | 431 | - | 431 |
| Specific assistance | 26,858 | 664,656 | - | 19,303 | 710,817 | 271 | 711,088 |
| Contractual | 13,701 | 1,436 | 25,159 | 7,782 | 48,078 | 29 | 48,107 |
| Food cost | - | - | 115,844 | - | 115,844 | - | 115,844 |
| Advertisement | 275 | - | 720 | - | 995 | - | 995 |
| Dues and subscriptions | 1,438 | - | - | - | 1,438 | - | 1,438 |
| Internet service | 4,499 | - | - | - | 4,499 | - | 4,499 |
| Interest expense | - | - | 12,105 | - | 12,105 | 5,169 | 17,274 |
| Legal, audit and accounting | 3,727 | 6,927 | 43,564 | 1,388 | 55,606 | 498 | 56,104 |
| Bank service charges | 92 | - | - | - | 92 | 10 | 102 |
| Other | 13,207 | - | 10,123 | 69 | 23,399 | 316 | 23,715 |
| Total expenses before depreciation | 364,951 | 750,104 | 2,644,686 | 61,095 | 3,820,836 | 13,298 | 3,834,134 |
| Depreciation | 260 | - | 37,410 | 2,639 | 40,309 | 32,715 | 73,024 |
| TOTAL EXPENSES | \$ 365,211 | 750,104 | 2,682,096 | 63,734 | 3,861,145 | 46,013 | \$ 3,907,158 |

SCHEDULE C

CENLA COMMUNITY ACTION COMMITTEE, INC.
Community Service Programs
Combining Schedule of Revenues and Expenses
For the Year Ended March 31, 2014

| | Emergency Food and Shelter Program | Community Service Block Grant Program | Non-Federal Fund | TOTAL |
|---|---|--|---------------------|-----------------|
| REVENUES: | | | | |
| Grants and contracts | \$ 4,771 | \$ 348,098 | - | \$ 352,869 |
| Other | - | - | 21,023 | 21,023 |
| TOTAL SUPPORT AND REVENUES | <u>4,771</u> | <u>348,098</u> | <u>21,023</u> | <u>373,892</u> |
| EXPENSES: | | | | |
| Program Services | | | | |
| Salaries and wages | - | 198,555 | 6,000 | 204,555 |
| Payroll tax expense | - | 13,695 | - | 13,695 |
| Fringe benefits | - | 20,065 | 278 | 20,343 |
| Supplies | - | 14,926 | 208 | 15,134 |
| Travel and conferences | - | 10,231 | 165 | 10,396 |
| Space cost | - | 12,954 | - | 12,954 |
| Utilities | - | 3,611 | - | 3,611 |
| Telephone | - | 6,480 | 118 | 6,598 |
| Insurance and bonding | - | 5,097 | - | 5,097 |
| Postage | - | 3,578 | - | 3,578 |
| Repair and maintenance | - | 4,399 | - | 4,399 |
| Equipment expense | - | 521 | - | 521 |
| Publication and printing | - | 273 | - | 273 |
| Specific assistance | 3,699 | 23,159 | - | 26,858 |
| Contractual | - | 13,701 | - | 13,701 |
| Advertisement | - | 275 | - | 275 |
| Dues and subscriptions | - | 1,438 | - | 1,438 |
| Internet service | - | 4,499 | - | 4,499 |
| Interest expense | - | - | - | - |
| Legal, audit and accounting | - | 3,727 | - | 3,727 |
| Bank service charges | - | 92 | - | 92 |
| Other | - | - | 13,207 | 13,207 |
| Total Program Services | <u>3,699</u> | <u>341,276</u> | <u>19,976</u> | <u>364,951</u> |
| TOTAL EXPENSES | <u>3,699</u> | <u>341,276</u> | <u>19,976</u> | <u>364,951</u> |
| Excess of Revenues Over (Under) Expenses | \$ <u>1,072</u> | \$ <u>6,822</u> | <u>1,047</u> | \$ <u>8,941</u> |

SCHEDULE D

CENLA COMMUNITY ACTION COMMITTEE, INC.
 Energy Assistance and Conservation
 Combining Schedule of Revenues and Expenses
 For the Year Ended March 31, 2014

| | LIHEAP Grant Program |
|---|----------------------------|
| REVENUES: | |
| Grants and contracts | \$ 784,956 |
| Program income | <u>10,078</u> |
| TOTAL SUPPORT AND REVENUES | <u>795,034</u> |
| EXPENSES: | |
| Program Services | |
| Salaries and wages | 39,969 |
| Payroll tax expense | 2,987 |
| Fringe benefits | 4,543 |
| Supplies | 16,070 |
| Travel and conferences | 7,919 |
| Space cost | 1,883 |
| Utilities | 459 |
| Telephone | 1,554 |
| Insurance and bonding | 1,571 |
| Repair and maintenance | 130 |
| Specific assistance | 664,656 |
| Contractual | 1,436 |
| Legal, audit and accounting | <u>6,927</u> |
| Total Program Services | <u>750,104</u> |
| TOTAL EXPENSES | <u>750,104</u> |
| Excess of Revenues Over (Under) Expenses | \$ <u>44,930</u> |

SCHEDULE E

CENLA COMMUNITY ACTION COMMITTEE, INC.
 Family Preservation and Child Development Programs
 Combining Schedule of Revenues and Expenses
 For the Year Ended March 31, 2014

| REVENUES: | Regular Head Start Program | Child Care Food Program | Total |
|--|----------------------------------|-------------------------------|--------------------|
| Grants and contracts | \$ 2,403,220 | - | \$ 2,403,220 |
| USDA reimbursement | - | 194,137 | 194,137 |
| Program income | 1,598 | - | 1,598 |
| Other income | 13,031 | - | 13,031 |
| In-Kind revenue | 240,729 | - | 240,729 |
| TOTAL SUPPORT AND REVENUES | 2,658,578 | 194,137 | 2,852,715 |
| EXPENSES: | | | |
| Program Services | | | |
| Salaries and wages | 1,545,305 | 73,114 | 1,618,419 |
| Payroll tax expense | 169,624 | 9,176 | 178,800 |
| Fringe benefits | 283,794 | 23,115 | 306,909 |
| Supplies | 16,991 | 3,036 | 20,027 |
| Travel and conferences | 11,955 | - | 11,955 |
| Space cost | 56,713 | - | 56,713 |
| Utilities | 50,557 | - | 50,557 |
| Telephone | 25,638 | - | 25,638 |
| Insurance and bonding | 46,605 | - | 46,605 |
| Postage | 830 | 3 | 833 |
| Repair and maint. of building | 31,461 | - | 31,461 |
| Equipment expense | 19,595 | 5,189 | 24,784 |
| Vehicle expense | 52,696 | - | 52,696 |
| Staff development and training | 11,616 | - | 11,616 |
| Publication and printing | 158 | - | 158 |
| Contractual | 25,159 | - | 25,159 |
| Food cost | 3,280 | 112,564 | 115,844 |
| Advertisement | 720 | - | 720 |
| Interest expense | 12,105 | - | 12,105 |
| Legal, audit and accounting | 43,564 | - | 43,564 |
| Other | 10,123 | - | 10,123 |
| Total Program Services | 2,418,489 | 226,197 | 2,644,686 |
| Other Deductions | | | |
| Principal retired on debt | 21,327 | - | 21,327 |
| Total Other Deductions | 21,327 | - | 21,327 |
| Other In-Kind | | | |
| Personnel | 240,729 | - | 240,729 |
| Total In-Kind | 240,729 | - | 240,729 |
| TOTAL EXPENSES | 2,680,545 | 226,197 | 2,906,742 |
| Excess Revenues Over (Under) Expenses | \$ (21,967) | (32,060) | \$ (54,027) |

SCHEDULE F

CENLA COMMUNITY ACTION COMMITTEE, INC.
 Senior Aid and Services
 Schedule of Revenues and Expenses
 For the Year Ended March 31, 2014

| | Senior Citizens Program |
|--|-------------------------------|
| REVENUES: | |
| Grant revenue | \$ 98,240 |
| Interest income | <u>5</u> |
| TOTAL SUPPORT AND REVENUES | <u>98,245</u> |
| EXPENSES | |
| Salaries | 17,896 |
| Payroll tax expense | 1,037 |
| Fringes benefits | 196 |
| Supplies | 11,731 |
| Travel and conferences | 13 |
| Space cost | 550 |
| Utilities | 58 |
| Telephone | 361 |
| Insurance and bonding | 711 |
| Specific assistance | 19,303 |
| Contractual | 7,782 |
| Legal, audit and accounting | 1,388 |
| Other | <u>69</u> |
| Total expenses before Depreciation | <u>61,095</u> |
| TOTAL EXPENSES | <u>61,095</u> |
| Excess Revenues Over (Under) Expenses | \$ <u>37,150</u> |

CENLA COMMUNITY ACTION COMMITTEE, INC.
General and Administrative
Schedule of Revenues and Expenses
For the Year Ended March 31, 2014

SCHEDULE G

| | <u>General and Administrative</u> |
|--|---|
| REVENUES: | |
| Other | \$ <u>25,563</u> |
| TOTAL SUPPORT AND REVENUES | <u>25,563</u> |
| EXPENSES | |
| Payroll tax expense | 607 |
| Supplies | 1,191 |
| Travel and conferences | 394 |
| Space cost | 4,737 |
| Utilities | (247) |
| Telephone | 40 |
| Equipment expense | 283 |
| Specific assistance | 271 |
| Contractual | 29 |
| Interest expense | 5,169 |
| Legal, audit and accounting | 498 |
| Bank service charges | 10 |
| Other | <u>316</u> |
| Total expenses before Depreciation | <u>13,298</u> |
| Other Changes | |
| Principal payment on debt | <u>4,558</u> |
| TOTAL EXPENSES | <u>17,856</u> |
| Excess Revenues Over (Under) Expenses | <u>\$ 7,707</u> |

SCHEDULE H

CENLA COMMUNITY ACTION COMMITTEE, INC.
Headstart Grant Number 06CH5002/47
Schedule of Actual Expenditures Compared to Budget
For the Grant Period April 1, 2012 through July 31, 2013

| EXPENSE CATEGORY | Budget | COMPLETED GRANT | | Actual (Over) Under Budget |
|--|---------------|---------------------------|---------------------------|----------------------------------|
| | | Current Year Actual | Actual Year To Date | |
| <i>Full - Year/Full Day</i> | | | | |
| Personnel | \$ 5,677,308 | 1,545,305 | 1,545,305 | \$ 4,132,003 |
| Fringe benefits | 1,991,530 | 453,418 | 453,418 | 1,538,112 |
| Travel | 67,087 | 11,955 | 11,955 | 55,132 |
| Supplies | 245,906 | 16,991 | 16,991 | 228,915 |
| Contractual | 91,250 | 68,723 | 68,723 | 22,527 |
| Other | 1,417,565 | 343,424 | 343,424 | 1,074,141 |
| <i>Training and Technical Assistance</i> | | | | |
| Other | - | - | - | - |
| Total Direct Costs | 9,490,646 | 2,439,816 | 2,439,816 | 7,050,830 |
| Indirect Costs | - | - | - | - |
| Total Federal Share | 9,490,646 | 2,439,816 | 2,439,816 | 7,050,830 |
| Non-Federal Share | | | | |
| In-kind | 2,117,013 | 240,729 | 240,729 | 1,876,284 |
| Total Grant Award | \$ 11,607,659 | 2,680,545 | 2,680,545 | \$ 8,927,114 |

CENLA COMMUNITY ACTION COMMITTEE, INC.
Schedule of Findings and Questioned Costs
Year Ended March 31, 2014

SECTION 1. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | | |
|----|--|------------|
| 1. | Type of auditor's report issued on the financial statements. | Unmodified |
| 2. | Material noncompliance relating to the financial statements. | None |
| 3. | Internal control over financial reporting: | |
| a. | Material weaknesses identified? | No |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | Yes |

Federal Awards:

- | | | |
|----|--|---------------|
| 4. | Type of auditor's report issued on compliance for major federal programs | Unmodified |
| 5. | Internal control over major programs: | |
| a. | Material weaknesses identified? | No |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 6. | Any audit findings reported as required by Section .510(a) of Circular A-133? | No |
| 7. | Federal programs identified as major programs: | |

| <u>Name of Federal Program or Cluster</u> | <u>Federal CFDA Number</u> |
|---|--------------------------------|
| Head Start Program Cluster | 93.600 |
| Community Service Block Grant | 93.569 |
| Low Income Energy Assistance Program | 93.568 |

- | | | |
|----|--|-----------|
| 8. | The dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 9. | Auditee did not qualify as a low-risk auditee. | |

CENLA COMMUNITY ACTION COMMITTEE, INC.
Schedule of Findings and Questioned Costs
Year Ended March 31, 2014

SECTION 2. FINDING - FINANCIAL STATEMENTS AUDIT

THE LACK OF THE SEGREGATION OF FEDERAL GRANT AWARD PROGRAM REVENUES AND EXPENSES IN THE ACCOUNTING RECORDS

Finding 2014-01

Condition:

During the audit of the financial statements, we noted that the Organization received various federal grant awards from several funding sources and that in some instances, the grant award period overlapped the Organization's fiscal year. However, we found that the prior year grant and current year grant revenues and expenditures were not segregated in the accounting records of the Organization. This deficiency made it difficult for the auditors to readily identify the revenues and expenses associated with each federal grant award program that overlapped the Organization's fiscal year.

Cause:

The Organization did not establish or maintain separate department/project codes in the accounting records for each federal grant award program.

Effect:

Federal grant award program revenues and expenses could not be readily identified in the accounting records.

Criteria:

OMB Circular 110, subpart (c), Section .21, Part b (1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Section _____.52

Recommendation:

The Organization should adopt administrative accounting control procedures to ensure that all federal award program revenues and expenses are identified separately in the accounting records. This can be accomplished by creating a separate department of project code which would identify a given federal award program.

LATE SUBMISSION OF AUDIT REPORT

Finding 2014-02

Condition:

The audit report for the year ended March 31, 2014 was not submitted within the six (6) months after year end as required by the Louisiana Legislative Auditor's. This a repeat fining from the prior year audit.

Cause:

All transactions for the year ended March 31, 2014 were not accounted for in the general ledger.

CENLA COMMUNITY ACTION COMMITTEE, INC.
Schedule of Findings and Questioned Costs
Year Ended March 31, 2014

Effect:

The Organization is not in compliance with the Louisiana Legislative Auditor's financial reporting requirements.

Criteria:

State of Louisiana Legislative Auditor's audit financial reporting requirement (R.S. 24:513 and 24:514).

Recommendation:

The Organization should adopt internal administrative control procedures to ensure that all accounting data is posted to the accounting records in a timely manner. Additionally, procedures should be implemented to ensure that all future audits are completed in a timely manner that will allow for the timely submission of its annual audit to the Louisiana Legislative Auditor's.

SECTION 3. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS

NONE

CENLA COMMUNITY ACTION COMMITTEE, INC.
4008 Parliament Drive
Alexandria, Louisiana 71303

Summary Schedule of Prior Year Audit Findings
For the Year Ended March 31, 2014

Section II - Financial Statement Audit Findings

Finding 2013 -1 (B)

Condition: Lack of procedures financial reporting of assets, liabilities, revenues and expenses, in accordance with generally accepted accounting principles (GAAP). The Agency did not fully prepare Agency wide financial statements on a regular basis.

Recommendation: We recommend that the Agency prepare Agency wide financial statements that include all of the assets, liabilities, revenues and expenses of the Agency.

Current Status: Corrected

Finding 2013 -2 (B)

Condition: Lack of procedures recording revenue for the twelve month period. The Agency did not properly record revenue totals from April 1, 2012 through March 31, 2013.

Recommendation: The Agency should implement procedures to properly record revenue.

Current Status: Corrected

Finding 2013 -3 (B)

Condition: The Agency failed to record detail accounts payables ledger and reconcile amounts to the general ledger. The Agency normally records payables after authorization for payment.

Recommendation: We recommend that invoices be recorded after determination of a bona fide liability of the Agency.

Current Status: Corrected

Finding 2013 -4 (B)

Condition: The Agency failed to record depreciation expense. The Agency did not record depreciation expense.

Recommendation: We recommend the agency record depreciation.

Current Status: Corrected

Section III - Federal Award Findings and Questioned Costs-Major Programs

Finding 2013 -1 (C)

U. S. Department of Health and Human Services and the U. S. Department of Agriculture

Condition: Late Submission of Audit Report. The audit report for the year ended March 31, 2013 was not submitted within six (6) months of year end to the Louisiana Legislative Auditor's as required by state law or within nine (9) months of year end as required by federal law.

Recommendation: We recommend that future reports are submitted timely.

Current Status: Not Corrected

Finding 2013 -2 (C)

Community Development Block Grant CFDA # 93.569, U. S. Department of Human Services

Condition: The financial reports prepared did not agree with the general ledger. This resulted in questioned costs of \$626.

Recommendation: We recommend that the Agency correctly report expenditures.

Current Status: Corrected



**CENLA COMMUNITY ACTION COMMITTEE, INC.
(CCAC)**

**4008 Parliament Drive
Alexandria, Louisiana 71303**

Phone (318) 487-5860 Fax (318) 484-2175

**Von Jennings
President, Board of Directors**

**Joan A. Lee
Executive Director**

October 15, 2014

CORRECTIVE ACTION PLAN

CENLA Community Action Committee, Inc. respectfully submits the following corrective action plan for the year ended March 31, 2014.

Name and address of independent public accounting firm: Banks, Finley, White & Company, 308 Highland Park Cove, Ridgeland, MS 39157.
Audit period: Year Ended March 31, 2014.

The findings from March 31, 2014 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule, Section 2 of the schedule, Summary of Audit Results, does not include findings and are not addressed.

FINDINGS – FINANCIAL STATEMENTS AUDIT

THE LACK OF THE SEGREGATION OF FEDERAL GRANT AWARD PROGRAM REVENUES AND EXPENSES IN THE ACCOUNTING RECORDS

Finding 2014-01

Condition:

During the audit of the financial statements, we noted that the Organization received various federal grants award from several funding sources and that in some instances, the grant award period overlapped the Organization's fiscal year. However, we found that the prior year grant and current year grant revenues and expenditures were not segregated in the accounting records of the Organization. This deficiency made it difficult for the auditors to readily identify the revenues and expenses associated with each federal grant award program that overlapped the Organization fiscal year.

Recommendation:

The Organization should adopt administrative accounting control procedures to ensure that all federal award program revenues and expenses are identified separately in the accounting records. This can be accomplished by creating a separate department of project codes which would identify a given federal award program.

Plan of Corrective Action:

Cenla Community Action Committee, Inc. receives various grant awards from several funding sources in which in some instances the grant period overlapped the fiscal year that was separated by general ledger code for cash only, not by cash, expenses and revenue. To correct this problem, our agency will adopt administrative accounting control procedures to ensure that all federal award program revenues and expenses are identified separately in the accounting records. This will be accomplished by creating a separate department of general ledger codes which will identify a given federal award program.

LATE SUBMISSION OF AUDIT REPORT**Finding 2014-02****Condition:**

The audit report for the year ended March 31, 2014 was not submitted within the six (6) months after year end as required by the Louisiana Legislative Auditor's. This is a repeat finding from the prior year audit.

Recommendation:

The Organization should adopt internal administrative control procedures to ensure that all accounting data is posted to the accounting records in a timely manner. Additionally, procedures should be implemented to ensure that all future audits are completed in a timely manner that allow for the timely submission of its annual audit to the Louisiana Legislative Auditor.

Plan of Corrective Action:

The audit for the year ending March 31, 2014 was submitted fifteen (15) days late because the Agency was experiencing difficulty retrieving documents required by the auditor from the interim grantee for the Rapides Parish Head Start/Early Head Start Program, Community Development Institute/Head Start (CDI/HS). The Agency had to go through several supervisors with CDI/HS prior to obtaining the first documents on September 25, 2014 and the last documents on September 26, 2014.

This situation will not reoccur because Cenla Community Action Committee, Inc. no longer operates the Head Start/Early Head Start Program nor is it a part of our 2015 audit period. Our Agency's capacity has been drastically reduced, therefore we should be able to easily comply with our audit process procedure whereby ensuring timely submission of our audit. Additionally, the Agency will adopt internal administrative control procedures to ensure that all accounting data is posted to accounting records in a timely manner. Procedures will also be implemented to ensure that all future audits are completed in a timely manner that allows for the timely submission of this annual audit to the Louisiana Legislative Auditor.

Audit Process

Bid Letting (when required 1 to 3 years)
Bid Openings & Acceptance
Acknowledge of Award Letter
Engagement Letter Signature
Pre-Audit Documentation
Onsite Audit Work
Internal Control Questionnaire
Submission to Legislative Auditor and
Federal Clearing House
Submission to Agency

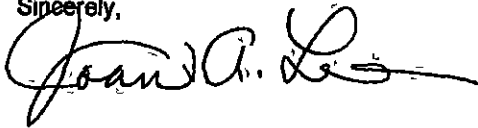
**Expected
Completion Date**

April 30th
May 29th
June 15th
June 30th
July 15th
August 3rd
August 14th
September 30th

September 30th

**Completion
Date**

Sincerely,



Joan A. Lee
Executive Director